

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1593-01
Bill No.: SB 293
Subject: Entertainment, Sports and Amusements; Taxation and Revenue - Income
Type: Original
Date: March 8, 2011

Bill Summary: Would eliminate the sunset provisions for the nonresident athletes and entertainers tax program.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of the State Treasurer** and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would remove the expiration dates related to collection, calculations, and distribution of income taxes collected from non-resident athletes and entertainers. This proposal would have no impact on general and total state revenues.

Although they did not respond to our request for information, officials from the **Department of Natural Resources** assumed that a similar proposal (HB 429 LR 1074-01) would remove the December 31, 2015 expiration date of the nonresident entertainer and athlete tax.

Ten percent of this tax is allocated annually to historic preservation and transferred from the General Revenue Fund to the Historic Preservation Revolving Fund for historic preservation efforts. This proposed legislation would remove the sunset date to continue historic preservation efforts in Missouri. Removing the sunset provision would provide long term funding and continuity for Missouri's historic preservation efforts. The department is unable to accurately estimate the amount of transfer to the Historic Preservation Revolving fund for tax year beginning January 1, 2016.

ASSUMPTION (continued)

Officials from the **Department of Economic Development, Missouri Arts Council** stated that this proposal would have a significant potential impact on their organization.

The proposed legislation, by removing the current 2015 sunset provision from the program, could potentially provide a more reliable source of revenues for the Missouri Arts Council. The Council is not currently being funded with state revenues but the provisions have been cited as the rationale for Council funding by legislators and Governors.

Oversight notes that this proposal would remove the current December 31, 2015 expiration date for the Nonresident Athletes and Entertainers Tax program. This expiration date is beyond the period covered in Oversight fiscal notes and, accordingly, Oversight will not indicate a fiscal impact for this proposal.

| <u>FISCAL IMPACT - State Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
|---|---------------------|-------------------|-------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
|---|---------------------|-------------------|-------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the State Treasurer
Office of Administration
 Division of Budget and Planning
Department of Revenue

NOT RESPONDING

Department of Natural Resources

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 8, 2011